

**PHASE I
ENVIRONMENTAL SITE ASSESSMENT**

**APN 612-163-03
70 AUTO CENTER DRIVE
LAKE FOREST, CALIFORNIA**

May 12, 2011

Project No. 0750-CR3

Prepared For:

**TRUMARK COMPANIES
9911 Irvine Center Drive, Suite 150
Irvine, California 92610**



GeoTek, Inc.

710 East Parkridge Avenue, Suite 105, Corona, CA 92879-1097

951-710-1160 Office 951-710-1167 Fax www.geotekusa.com

May 12, 2011
Project No. 0750-CR3

TRUMARK COMPANIES

9911 Irvine Center Drive, Suite 150
Irvine, California 92618

Attn: Mr. James O'Malley

Subject: **PHASE I ENVIRONMENTAL SITE ASSESSMENT**
APN 612-163-03, 70 Auto Center Drive
6.9± Acre Site, Foothill Ranch Community
Lake Forest, California 92610

Dear Mr. O'Malley:

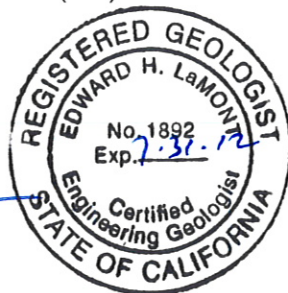
GEOTEK, INC. (GEOTEK) is pleased to present this Phase I Environmental Site Assessment for the subject Site. Services were conducted in substantial conformance with the scope and limitations of the American Society of Testing and Materials E 1527-05, and GEOTEK Proposal No. P3-0302311-CR3, dated March 22, 2011.

This Phase I Environmental Site Assessment has not revealed evidence of a recognized environmental condition or environmental concern at the subject Site. No further environmental investigation is recommended at this time.

We appreciate this opportunity to be of service. If you have any questions, or if we can be of further service, please contact us at (951) 710-1160.

Sincerely,
GEOTEK, INC.

Edward H. LaMont, CEG, REA
Engineering Geologist
Registered Environmental Assessor I



Anna M. Scott
Registered Environmental Assessor I
No. 08167, Exp. 06/30/11



TABLE OF CONTENTS

1.0	EXECUTIVE SUMMARY	1
2.0	INTRODUCTION	3
2.1	PURPOSE	3
2.2	SCOPE OF WORK	3
2.3	SIGNIFICANT ASSUMPTIONS	4
2.4	LIMITATIONS AND EXCEPTIONS	4
2.5	SPECIAL TERMS AND CONDITIONS	5
2.6	RELIANCE	5
3.0	DESCRIPTION OF SITE AND SURROUNDING AREA	6
3.1	SITE LOCATION AND LEGAL DESCRIPTION	6
3.2	SITE AND VICINITY GENERAL CHARACTERISTICS	6
3.3	CURRENT PROPERTY USE	6
3.4	SITE IMPROVEMENTS	6
3.4.1	HAZARDOUS SUBSTANCES	7
3.4.2	STORAGE TANKS	7
3.4.3	POLY-CHLORINATED BIPHENYLS (PCBs)	7
3.4.4	CONTROLLED SUBSTANCES	7
3.4.5	INDICATIONS OF SOLID WASTE DISPOSAL	7
3.4.6	UTILITY SUPPLY	8
3.4.7	DRAINAGE	8
3.4.8	OTHER CONDITIONS OF CONCERN	8
3.4.9	INTERVIEWS	8
3.5	CURRENT ADJOINING PROPERTY USE	8
4.0	CLIENT PROVIDED INFORMATION	10
4.1	ENVIRONMENTAL CLEAN-UP LIENS	10
4.2	ACTIVITY AND USE LIMITATIONS	10
4.3	SPECIALIZED KNOWLEDGE	10
4.4	PURCHASE PRICE	10
4.5	COMMONLY KNOWN INFORMATION	10
4.6	OBVIOUS INDICATORS OF CONTAMINATION	10
4.7	OWNER, PROPERTY MANAGER, AND OCCUPANT INFORMATION ..	11
4.8	REASON FOR PERFORMING PHASE I ESA	11
4.9	OTHER USER PROVIDED INFORMATION	11
5.0	PROPERTY PHYSICAL SETTING	12
5.1	REGIONAL GEOLOGY	12
5.2	LOCAL GEOLOGIC SETTING AND TOPOGRAPHY	12

TABLE OF CONTENTS

5.3 VICINITY SURFACE DRAINAGE	12
5.4 HYDROGEOLOGY	13
6.0 ENVIRONMENTAL REGULATORY RECORDS REVIEW	14
6.1 ENVIRONMENTAL DATABASE RECORDS SEARCH	14
6.2 DISCUSSION OF REGULATORY RECORDS.....	15
6.2.1 NATIONAL PRIORITY LIST	15
6.2.2 COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY INFORMATION SYSTEM LIST	15
6.2.3 RESOURCE CONSERVATION AND RECOVERY ACT.....	16
6.2.4 EMERGENCY RESPONSE NOTIFICATION SYSTEM.....	17
6.2.5 FEDERAL INSTITUTIONAL CONTROL/ENGINEERING CONTROL REGISTRIES	17
6.2.6 STATE RESPONSE SITES.....	17
6.2.7 ENVIROSTOR DATABASE.....	17
6.2.8 CALIFORNIA HAZARDOUS MATERIALS INCIDENT RESPONSE SYSTEM.....	17
6.2.9 SOLID WASTE INFORMATION SYSTEM	18
6.2.10 LEAKING UNDERGROUND STORAGE TANKS LIST	18
6.2.11 UNDERGROUND STORAGE TANKS LIST	18
6.2.12 SPILLS, LEAKS, INVESTIGATIONS AND CLEANUP COST RECOVERY LISTING (SLIC).....	19
6.2.13 STATE INSTITUTIONAL CONTROL/ENGINEERING CONTROL REGISTRIES	19
6.2.14 TRIBAL DATABASES	19
6.3 LOCAL REGULATORY AGENCY RECORDS.....	19
7.0 SITE AND SURROUNDING AREA HISTORY	21
7.1 HISTORICAL SITE USAGE	21
7.1.1 AERIAL PHOTOGRAPH REVIEW	21
7.1.2 TOPOGRAPHIC MAP REVIEW.....	21
7.1.3 BUILDING DEPARTMENT RECORDS	21
7.1.4 CITY DIRECTORY REVIEW	22
7.1.5 TITLE INFORMATION.....	22
7.1.6 SANBORN MAP REVIEW	22
7.1.7 CHAIN OF TITLE	22
7.2 HISTORICAL IMMEDIATELY SURROUNDING PROPERTY USAGE	22
7.2.1 AERIAL PHOTOGRAPH REVIEW	22
7.2.2 TOPOGRAPHIC MAP REVIEW.....	23
7.2.3 CITY DIRECTORIES.....	23
7.2.4 SANBORN MAP REVIEW	23
7.3 HISTORICAL USE SUMMARY	24

TABLE OF CONTENTS

8.0 SIGNIFICANT DATA GAPS	25
9.0 CONCLUSIONS AND RECOMMENDATIONS	26
10.0 CERTIFICATIONS	27
11.0 REFERENCES	28

LIST OF APPENDICES

- Appendix A: Figures
- Appendix B: Supporting Documents
- Appendix C: Photographs
- Appendix D: Client Documents
- Appendix E: Environmental Database Report
- Appendix F: Project Team Qualifications

1.0 EXECUTIVE SUMMARY

GEOTEK, INC. (GEOTEK) has performed a Phase I Environmental Site Assessment (ESA) for the subject property (the "Site"), located at 70 Auto Center Drive in the Foothill Ranch community of Lake Forest, Orange County, California. Our services were conducted in substantial conformance with the scope and limitations of the American Society of Testing and Materials (ASTM) E 1527-05, "*Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*", which is approved to meet the requirements of the federal All Appropriate Inquiry (AAI) standards as set fourth in the Code of Federal Regulations, Title 40, Section 312 (40 CFR 312), and GEOTEK Proposal No. P3-0302311-CR3, dated March 22, 2011. Any additions or deletions from our scope of services are discussed in the appropriate sections of this assessment.

A representative of GEOTEK conducted a Site reconnaissance on May 2, 2011. The weather was clear and cool (early AM site visit). The irregular shaped Site is comprised of one parcel of land, and encompasses approximately 6.9 acres. The Site was accessed from Auto Center Drive, which borders the northwest, northeast and southeast sides of the Site. Towne Centre Drive borders the southern edge of the property. The Site is occupied by a former automobile dealership, and includes several buildings, paved and landscaped areas. A portion of one of the Site buildings is currently occupied by an automotive shop (Elite Automotive Services). The remaining Site buildings are not presently in use, but do store various automotive related materials. Visual evidence of hazardous substances or wastes was observed, including an above ground fuel storage tank, waste oil drums, batteries, and miscellaneous hydrocarbon-based products. No pungent or acrid odors were observed emanating from the Site.

The Site is in an area largely characterized by commercial, retail, residential, agricultural (nurseries) and vacant properties. Auto Center Drive borders all but the southern edge of the Site, which is bordered by Towne Centre Drive. Existing automobile dealerships are located to the east and northeast sides of Auto Center Drive. An existing commercial center is located to the west of Auto Center Drive to the west of the Site, and an office building property is located to the south of Towne Centre Drive, to the southwest of the Site. Vacant properties are located to the south of Towne Centre Drive to the south of the Site, and to the west of Auto Center Drive, to the northwest of the subject Site.

Based on readily available historic information, the Site appears to have been undeveloped land (with dirt roads) from at least 1938 until 2002, when construction of the currently existing Site improvements first begin to appear. The immediate Site vicinity was vacant land from at least

1938 until approximately 2002, when commercial buildings first appear to be present in the Site area. No historic recognized environmental conditions were identified from the historic information reviewed.

The Site did not appear on the environmental database report obtained for this assessment. None of the adjacent properties appear on the database report, with the exception of a RCRA Generator site (71 Auto Center Drive). No violations are indicated for this adjacent site. Two other facilities are listed in the environmental database report within the minimum search distances specified by ASTM E 1527-05. These facilities are not considered to be a recognized environmental condition to the Site due to either the absence of a documented spill or release, the type of media affected (soil only), distance and location hydrogeologically cross-gradient from the subject Site.

This Phase I Environmental Site Assessment has not revealed evidence of a recognized environmental condition or environmental concern at the subject Site. No further environmental investigation is recommended at this time.

This executive summary does not contain all the information that is found in the full report. The report should be read in its entirety to obtain a more complete understanding of the information provided and to aid in any decisions made or actions taken based on this information.

2.0 INTRODUCTION

GEOTEK, INC. (GEOTEK) has performed a Phase I Environmental Site Assessment (ESA) for APN 612-163-03 (the "Site"), located at 70 Auto Center Drive in the Foothill Ranch area of Lake Forest, Orange County, California.

2.1 PURPOSE

The purpose of this Phase I ESA was to identify and evaluate actual and potential environmental conditions involving the subject Site. It was not the purpose of this assessment to determine the degree or extent of contamination, if any, but rather the potential for contamination.

2.2 SCOPE OF WORK

The Phase I ESA is a general characterization of environmental concerns based on reasonably ascertainable information and observations. GEOTEK performed the Phase I ESA in substantial accordance with ASTM E 1527-05. The following services were provided for the assessment:

- A reconnaissance of the Site and surrounding properties was conducted to visually assess current utilization and indications of potential surface contamination. This was accomplished by walking the Site boundaries, and then traversing the Site until the entire Site had been surveyed.
- A reconnaissance of the surrounding area for approximately one-half mile was conducted, without entering the properties, making observations concerning property uses, conditions, and housekeeping.
- A review of the geologic and hydrogeologic settings was conducted using reasonably ascertainable public records and documents.
- An environmental database report was obtained from a data service provider. This database report compiles and locates documented "hazardous waste" facilities within specific minimum search distances as defined by ASTM E 1527-05. If necessary, additional information on identified facilities was gathered by a file review at the appropriate federal, state, local, and/or tribal regulatory agency.

- A review of reasonably ascertainable historical records (including aerial photographs, topographic maps, building records, and city directories) was conducted to assess the historical land utilization and indications of potential contamination or sources of contamination for the Site.
- This report was prepared, which relates the findings of this study and presents our conclusions and recommendations.

Specific items not included in this Scope of Services are soil analysis, water analysis, asbestos containing materials analysis, radon analysis, lead-based paint analysis, lead in drinking water, wetlands, regulatory compliance, cultural and historic resources, industrial hygiene, health and safety, ecological resources, endangered species, indoor air quality, vapor intrusion, high voltage power lines, and other items not within the scope of ASTM E 1527-05.

2.3 SIGNIFICANT ASSUMPTIONS

Specific assumptions by GEOTEK for this assessment include:

- GEOTEK had permission to access the Site grounds;
- The client has provided GEOTEK with available geotechnical or environmental reports for the Site;
- The client has provided GEOTEK with known current or historic uses of hazardous materials at the Site, or with other specialized knowledge of the environmental history of the Site and surrounding area.

2.4 LIMITATIONS AND EXCEPTIONS

GEOTEK conducted a Phase I Environmental Site Assessment in substantial accordance with ASTM E 1527-05 and as authorized by Trumark Companies. This study does not include sampling of soil, groundwater and/or the debris on-site for environmental testing. This report is intended for the use of Trumark Companies and their immediate assignees. The contents should not be relied upon by any party other than the aforementioned without the express written consent of GEOTEK.

The findings, conclusions, and recommendations made in this report are based on the information that was made available to GEOTEK, in most instances from public records. The information is relevant to the date of our site work and should not be relied on to represent conditions at any later date. The opinions and conclusions expressed herein are based on

information obtained during our assessment and on our experience and current standards of technical practice. GEOTEK makes no other warranties, either express or implied, concerning the completeness of the data furnished to us. GEOTEK cannot be responsible for conditions or consequences arising from relevant facts that were concealed, withheld, or not fully disclosed at the time our assessment was undertaken. GEOTEK is not responsible, nor liable for work, testing or recommendations performed or provided by others. This Phase I Environmental Site Assessment is not and should not be construed as a warranty or guarantee about the presence or absence of environmental hazards or contaminants, which may affect the subject site. Facts, conditions, and acceptable risk factors change with time; accordingly, this report should be viewed within this context.

Specific limitations to the scope of ASTM E 1527-05 due to contract limitations, availability of resources, and/or encountered Site conditions are discussed in the appropriate section(s) of this report.

2.5 SPECIAL TERMS AND CONDITIONS

This assessment report is presented as fulfilling the standard requirements of most financial institutions, governmental regulatory agencies, ASTM, and generally accepted industry standards and practices. Refer to GEOTEK Proposal No. P3-0302311-CR3 for complete terms and conditions for this assessment.

2.6 RELIANCE

This assessment has been prepared for the exclusive use, and may be relied upon by, Trumark Companies and its successors and assignees. Third party reliance letters may be issued upon request and upon the payment of the, then current, fee for such letters. All third parties relying on this report, by such reliance, agree to be bound by the General Conditions and Limitations agreed to by Trumark Companies. No reliance by any party is permitted without such agreement, regardless of the content of the reliance letter itself.

3.0 DESCRIPTION OF SITE AND SURROUNDING AREA

The objective of describing the Site and surrounding area is to document current conditions as observed and to obtain information which would indicate the likelihood of a recognized environmental condition in connection with the Site. A representative of GEOTEK conducted a Site reconnaissance on May 2, 2011. The weather was cool with clear skies (early AM Site visit). Access to the Site is from the northwest or northeast, via Auto Center Drive.

3.1 SITE LOCATION AND LEGAL DESCRIPTION

The Site is located at 70 Auto Center Drive in the Community of Foothill Ranch, City of Lake Forest, Orange County, California. According to the U.S. Geological Survey (USGS) El Toro Quadrangle topographic map (7.5-minute series), the Site is located in the southwest quarter of Section 1, Township 6 South, Range 8 West, San Bernardino Baseline and Meridian (see Figure 1 in Appendix A). The Orange County Assessor's Parcel Number (APN) is 612-163-03.

3.2 SITE AND VICINITY GENERAL CHARACTERISTICS

The Site and the immediate vicinity are in an area of commercial, retail, residential, agricultural (nurseries) and vacant land.

3.3 CURRENT PROPERTY USE

The Site is occupied by a former automotive dealership facility, with existing buildings, flatwork, paved parking and landscaped areas. The existing buildings are mostly vacant, but do contain miscellaneous automotive related parts, maintenance equipment and some vehicles. One Site building is currently in use as an automobile repair and maintenance shop.

3.4 SITE IMPROVEMENTS

As indicated above, the Site is occupied by several large buildings related to the former automobile dealership. Perimeter paved parking and landscaped areas are also present on the Site.

3.4.1 Hazardous Substances

GEOTEK observed an above-ground fuel storage tank, an area where several 55-gallon drums labeled "waste oil" are stored, and an automotive battery storage rack located on the subject Site (see Figure 2). No significant stains or discolored soil were observed. No pungent or acrid odors were observed emanating from the Site.

3.4.2 Storage Tanks

GEOTEK did not observe evidence of underground storage tank (such as vent pipes, fill pipes, regular-shaped depressions, etc.) on the Site, but did observe an above-ground tank (as described above). The above-ground tank is labeled to contain fuel, and is located toward the back of the automobile dealership (see Figure 2, and Photo 7 in Appendix C).

3.4.3 Poly-Chlorinated Biphenyls (PCBs)

GeoTek did not observe any transformers on the Site. Previous conversations with Edison and other local power suppliers for the area have indicated that most transformers now contain PCB-free fluids, and have since the mid-1990s.

GEOTEK did not observe other suspect equipment (elevators, trash compactors, etc.), which may contain PCBs on the Site. Vehicle lifts associated with the maintenance areas may contain PCB's, but no obvious leaks or stains were noted associated with these areas.

3.4.4 Controlled Substances

GEOTEK consulted the U.S. Drug Enforcement Agency (DEA) website to cross-check the Site address against published facilities subject to DEA enforcement. The Site did not appear on the list of published facilities. A copy of the DEA printout is included in Appendix B.

GEOTEK did not observe evidence of illegal or controlled substances being used or manufactured at the Site.

3.4.5 Indications of Solid Waste Disposal

GEOTEK did not observe waste disposal on the Site. Waste disposal for Lake Forest is provided by Waste Management, Inc.

3.4.6 Utility Supply

GEOTEK observed electrical utility services at the Site. The utility providers for Lake Forest are Southern California Edison for electricity and Southern California Gas for natural gas. Water is provided by El Toro Water District and Irvine Ranch Water District, and Trabuco Canyon Water District for sewer.

3.4.7 Drainage

Natural drainage at the Site is interpreted to be toward the southwest, conforming to the natural topography in the area. No standing water was observed on the Site on the date of our reconnaissance.

3.4.8 Other Conditions of Concern

No visual indication of water wells, dry wells, septic fields, cesspools, or other conditions of concern that would indicate a recognized environmental condition were observed during the Site reconnaissance. There is an underground clarifier observed toward the southwest corner of the former automobile dealership (see Photo 8 in Appendix C). The clarifier is believed to act as a filter for potentially contaminated storm water collected in this Site area prior to being directed to the local storm drain system. No stressed vegetation was observed.

3.4.9 Interviews

GEOTEK interviewed the following individuals while performing this assessment:

- Mr. Mark Dershem, an owner representative and former manager of the automobile dealership located at the Site.
- Mr. Stephan G. Lang, the General Partner of the current Site ownership group (in the form of a User Questionnaire).

Information from this interview is incorporated into the appropriate sections of this report.

3.5 CURRENT ADJOINING PROPERTY USE

The Site is in an area characterized by commercial, residential and agricultural properties, and vacant land. Auto Center Drive borders the Site to the southeast, northeast and northwest.

Towne Centre Drive borders the Site to the south (see Figure 2). Vacant land, commercial properties, and existing and former automobile dealership facilities border the adjacent roads described above.

4.0 CLIENT PROVIDED INFORMATION

As a form of interview, a representative of Site ownership (Mr. Stephann G. Lang) completed a "User Questionnaire" for the Site in accordance with ASTM E 1527-05. A copy of the completed questionnaire is included in Appendix D.

4.1 ENVIRONMENTAL CLEAN-UP LIENS

Mr. Lang is not aware of any environmental clean-up liens against the Site.

4.2 ACTIVITY AND USE LIMITATIONS

Mr. Lang indicated he is unaware of activity use limitations associated with the Site.

4.3 SPECIALIZED KNOWLEDGE

Mr. Lang indicated he has no specialized knowledge regarding the Site or adjacent properties.

4.4 PURCHASE PRICE

Mr. Lang indicated that the price being offered for the Site is a fair market price.

4.5 COMMONLY KNOWN INFORMATION

Mr. Lang and Mr. Dershem indicated that the Site has been used as an automobile dealership only. No prior known use of the Site was indicated.

Neither Mr. Lang nor Mr. Dershem indicated that they are aware of any specific chemicals, chemical spills, or environmental clean-ups on the Site. No other commonly known information about the Site was provided by either Mr. Lang or Mr. Dershem.

4.6 OBVIOUS INDICATORS OF CONTAMINATION

Neither Mr. Lang nor Mr. Dershem is aware of obvious indicators of a likely environmental impact at the Site.

4.7 OWNER, PROPERTY MANAGER, AND OCCUPANT INFORMATION

The Site buildings are currently mostly unoccupied. A portion of an existing Site building is occupied by "Elite Automotive Services", which was closed at the time of our Site reconnaissance. GEOTEK did not locate anyone to interview from *Elite Automotive* for this assessment.

4.8 REASON FOR PERFORMING PHASE I ESA

This Phase I ESA was performed at the request of Trumark Companies in order to qualify for one of the Landowner Liability Protections offered by the Small Business Liability Relief and Brownfields Revitalization Act of 2002, and to help determine the Site will be suitable for their intended use (residential development).

4.9 OTHER USER PROVIDED INFORMATION

GEOTEK was not provided with any reports for the Site by Trumark Companies. As part of our evaluation, the following geotechnical reports were obtained and reviewed which were prepared by Pacific Soils Engineering, Inc. (Pacific Soils):

- ◆ "Precise Grading Report, MacPherson Chevrolet, 70 Auto Centre Drive, Foothill Ranch, City of Lake Forest, California," prepared by Pacific Soils Engineering, Inc., Project No. 500312-M, dated February 12, 2002.
- ◆ "Final Onsite Report, MacPherson Chevrolet, 70 Auto Centre Drive, Foothill Ranch, City of Lake Forest, California," prepared by Pacific Soils Engineering, Inc., dated February 26, 2003.

5.0 PROPERTY PHYSICAL SETTING

Surface and subsurface environments are of interest because they control the movement of water-borne contaminants, which could be transported to and from the subject Site. GEOTEK reviewed information regarding the physical setting of the subject Site and immediately surrounding area.

5.1 REGIONAL GEOLOGY

The subject property is situated in the Peninsular Ranges geomorphic province. The Peninsular Ranges province is one of the largest geomorphic units in western North America. Basically, it extends roughly 975 miles from the north and northeasterly adjacent the Transverse Ranges geomorphic province to the tip of Baja California. This province varies in width from about 30 to 100 miles. It is bounded on the west by the Pacific Ocean, on the south by the Gulf of California and on the east by the Colorado Desert Province.

The Peninsular Ranges are essentially a series of northwest-southeast oriented fault blocks. Three major fault zones are found in this province. The Elsinore Fault zone and the San Jacinto Fault zones trend northwest-southeast and are found in the near the middle of the province. The San Andreas Fault zone borders the northeasterly margin of the province.

5.2 LOCAL GEOLOGIC SETTING AND TOPOGRAPHY

Near surface soils in the vicinity of the subject Site are identified as Miocene age sedimentary bedrock and fill soils (Pacific Soils, 2002 and 2003).

No visual evidence of faults or fissures was observed during our Site reconnaissance, nor are they described in the referenced reports by Pacific Soils.

The area of the subject Site slopes at variable gradients to the south, southeast and southwest. Based on the USGS topographic map for the area, the average elevation of the subject Site is approximately 780 feet above mean sea level (see Figure 1, Appendix A).

5.3 VICINITY SURFACE DRAINAGE

Natural drainage at the Site is interpreted to be toward the south, southeast and southwest, conforming to the natural topography in the area. Storm water runoff is expected to drain

toward the Site from the northeast, although likely re-directed due to existing paved roadways and curbs/storm drain systems. No standing water was observed on the Site on the date of our reconnaissance.

According to the Federal Emergency Management Agency (FEMA), the Site is located within Zone X, which is an area outside the 100-year flood plain (Community-Panel No. 06059C).

5.4 HYDROGEOLOGY

Lake Forest is located toward the northern end of the Peninsular Ranges, where precipitation averages roughly 15 inches per year. There were no ponds, seeps, springs, or other indications of high groundwater levels observed on the Site. Based on information provided by the California Division of Water Resources, groundwater is reported to be greater than 100 feet below ground surface beneath the Site, with a flow direction to the southwest.

6.0 ENVIRONMENTAL REGULATORY RECORDS REVIEW

The records review is conducted to help identify known recognized environmental conditions at the Site and/or on adjacent or nearby properties which may have impacted the subject Site.

6.1 ENVIRONMENTAL DATABASE RECORDS SEARCH

GEOTEK obtained and reviewed an environmental database report of the federal and state environmental records specified by ASTM E 1527-05. The database report was provided by Environmental Data Resources, Inc. (EDR) of Milford, Connecticut. Additionally, orphan or unmappable sites listed by EDR were reviewed for the approximate minimum search distances noted and included in our discussion, if applicable. Refer to Appendix E for a copy of the database report.

ENVIRONMENTAL DATABASE	MINIMUM SEARCH DISTANCE	SITE	ADJACENT	TOTAL LISTED
U.S. Environmental Protection Agency (USEPA) - National Priorities List (NPL), including delisted NPL	1.0 Mile	No	0	0
USEPA - Comprehensive Environmental Response, Compensation and Liability Information System (CERCLIS), including NFRAP ⁱ sites	0.5 Mile	No	0	0
USEPA - Resource Conservation and Recovery Act (RCRA), Corrective Action Facilities (CORRACTS)	1.0 Mile	No	0	0
USEPA - RCRA, Transportation, Storage, and Disposal facilities (TSD)	0.5 Mile	No	0	0
USEPA - RCRA Generators	Site and Adjacent	No	1	2
USEPA - Emergency Response Notification System (ERNS)	Site	No	N/A	0
Federal institutional control/engineering control registries	Site	No	N/A	0
California Environmental Protection Agency (CEPA) - State Response Sites (SRS, formerly Annual Work Plan and Bond Expenditure Plan)	1.0 Mile	No	0	0
CEPA - EnviroStor Database (formerly CALSITES)	0.5 Mile	No	0	0

ⁱ NFRAP = "No Further Remedial Action Planned"

ENVIRONMENTAL DATABASE	MINIMUM SEARCH DISTANCE	SITE	ADJACENT	TOTAL LISTED
CEPA – CHMIRS - California Hazardous Materials Information Reporting System	0.25 Mile	No	No	0
CEPA - Solid Waste Landfills	0.5 Mile	No	0	0
CEPA – Leaking Underground Storage Tanks (LUST)	0.5 Mile	No	0	1
CEPA – Underground Storage Tanks (UST), including historic USTs	Site and Adjacent	No	0	0
CEPA – Spills, Leaks, Investigations & Cleanup Cost Recovery Listing (SLIC)	Site and Adjacent	No	0	0
State institutional control/engineering control registries	Site	No	N/A	0
Local and/or Tribal databases	Up To 1.0 Mile	No	0	0

N/A – Not Applicable

6.2 DISCUSSION OF REGULATORY RECORDS

6.2.1 National Priority List

The National Priority List (NPL) is the EPA's list of confirmed or proposed Superfund sites. Our review of this data includes sites which have been delisted from the NPL. The NPL is searched for a 1.0 mile distance.

The Site does not appear on the NPL. There are no facilities on the NPL within 1.0 mile of the Site.

6.2.2 Comprehensive Environmental Response, Compensation, and Liability Information System List

The Comprehensive Environmental Response, Compensation and Liability Information System (CERCLIS) is a compilation of sites that the EPA has investigated or is currently investigating for a release or threatened release of hazardous substances. Our review of CERCLIS sites includes

No Further Remedial Action Planed (NFRAP) facilities. The CERCLIS list is searched for a 0.5 mile distance.

The Site does not appear on the CERCLIS list. There are no facilities on the CERCLIS list within 0.5 mile of the Site.

6.2.3 Resource Conservation and Recovery Act

The Resource Conservation and Recovery Act compile selective information on facilities which generate, transport, store, treat and or dispose of hazardous waste. RCRA facilities can be listed on one of three databases:

- *Corrective Action Facilities (CORRACTS)* are facilities undergoing corrective action. A corrective action order is issued pursuant to RCRA Section 3008(h) when there has been a release of hazardous waste or constituents into the environment from a RCRA facility. The CORRACTS list is searched for a 1.0 mile distance.

The Site does not appear on the CORRACTS list. There are no facilities on the CORRACTS list within 1.0 mile of the Site.

- *Transportation, Storage, and Disposal Facilities (TSD)* includes facilities that transport, store or dispose of hazardous waste and are not listed on the RCRA Generators list. The TSD is searched for a 0.5 mile distance.

The Site does not appear on the RCRA TSD list. There are no facilities on the RCRA TSD list within 0.5 mile of the Site.

- *Generators List* identifies and tracks hazardous waste from the point of generation to the point of disposal. The RCRA Generators database is a compilation by the EPA of reporting facilities that generate hazardous waste. The RCRA generators list is searched for the Site and adjacent properties.

The Site is not listed on the RCRA Generators list. One adjacent site is listed as a RCRA Generator, and one nearby site is listed as a RCRA Generator. The adjacent site is listed as Pacific Foothill Ranch, Inc., located at 71 Auto Centre Drive. No violations are listed associated with this property. The nearby site is listed as International Color Posters, located at 19651 Alter Avenue. No violations are listed associated with this

facility either. Based on the status of these listings, these facilities do not appear to be a concern to the subject Site.

6.2.4 Emergency Response Notification System

The Emergency Response Notification System (ERNS) is a national database used to collect information on reported releases of oil or hazardous substances. The ERNS list is searched for the Site. The Site does not appear on the ERNS list.

6.2.5 Federal Institutional Control/Engineering Control Registries

The USEPA maintains two databases which list sites that have institutional and/or engineering controls in place as part of their operations. These databases are searched for the Site. The Site does not appear on either of these databases.

6.2.6 State Response Sites

The State Response Sites (SRS) records are the state equivalent to the federal National Priorities List (NPL) database. The SRS is searched for a 1.0-mile distance.

The Site does not appear on the SRS. There were no SRS facilities listed within a 1.0-mile distance of the Site.

6.2.7 EnviroStor Database

The EnviroStor Database (EnviroStor, formerly CALSITES) records are the state equivalent to the federal CERCLIS database. EnviroStor is searched for a 0.5-mile distance.

The Site does not appear on the EnviroStor database. There are no EnviroStor facilities listed within 0.5-mile of the Site.

6.2.8 California Hazardous Materials Incident Response System

The California Hazardous Materials Incident Response Systems (CHMIRS) is a state database used to collect information on reported hazardous materials incidents (accidental leaks and spills). The CHMIRS list is searched for a 0.25-mile distance.

The Site does not appear on the CHMIRS list. There are no CHMIRS facilities located within 0.25 mile of the Site.

6.2.9 Solid Waste Information System

The California Solid Waste Information System (SWIS) includes information pertaining to closed and open solid waste facilities operating in the State of California. The SWIS is searched for a 0.5-mile distance.

The subject site does not appear on the SWIS. There are no facilities on the SWIS list within 0.5 mile of the subject property.

6.2.10 Leaking Underground Storage Tanks List

The California Leaking Underground Storage Tanks (LUST) list is a compilation of petroleum storage tank sites that have reported a release. The LUST list is searched for a 0.5 mile distance.

The Site did not appear on the LUST list. There is one nearby facility listed as being on the LUST list within 0.5 mile of the Site. This facility is Orange County Fire Station #54, located at 19811 Pauling (east of the subject Site). The released substance listed for this facility is "gasoline-automotive, leaded & unleaded". This leak is described to have affected soil only, and the case is listed as "case closed". Based on this listing status, this facility is not considered a concern to the subject Site.

6.2.11 Underground Storage Tanks List

The California Underground Storage Tank (UST) list is a compilation of petroleum storage tank sites that are registered with the state of California. The UST list is searched for the Site and adjacent properties.

The subject Site does not appear on the UST list. None of the adjacent facilities appear on the UST List.

6.2.12 Spills, Leaks, Investigations and Cleanup Cost Recovery Listing (SLIC)

The SLIC database is compiled by the CEPA California Regional Water Quality Control Board, San Diego Region. It is designed to protect and restore water quality from spills, leaks, and similar discharges. The SLIC is searched for the Site and adjacent properties.

The Site does not appear on the SLIC.

6.2.13 State Institutional Control/Engineering Control Registries

The State of California maintains institutional and engineering control databases or registries. This lists sites with engineering or institutional controls in place. Institutional controls include administrative measures intended to prevent exposure to contaminants remaining on site. Engineering controls include various forms of caps, building foundations, liners, and treatment methods. The State Institutional Control/Engineering Control Registries is searched for the Site.

The subject site does not appear on the State Institutional Control/Engineering Control Registries.

6.2.14 Tribal Databases

Tribal governments are under the jurisdiction of the USEPA for environmental concerns. Currently, the USEPA Region 9 publishes LUST and UST information for tribes in Arizona, California, Hawaii, Nevada, and the Pacific Territories. The LUST database is searched for 0.5 mile, and the UST database is searched for 0.25 mile.

The Site does not appear on the Tribal LUST or UST databases. No facilities were identified on the Tribal LUST or UST databases within 0.5 mile of the Site.

6.3 LOCAL REGULATORY AGENCY RECORDS

GEOTEK contacted the Lake Forest Building Department (LFBD), the local Sheriff's Department, and the Orange County Fire Authority (OCFA) regarding underground or aboveground storage tanks, hazardous materials permits or business plans, emergency responses, spills, inspections, or other information of an environmental or hazardous nature.

No records of a hazardous nature were found for the Site, with the exception of a City of Lake Forest Building Permit Application for the above ground storage tank still located on the subject Site. A copy of this permit application is included in Appendix B.

According to the local Sherriff's department, there are not any reported records of responses to the Site for clandestine lab activities.

7.0 SITE AND SURROUNDING AREA HISTORY

In order to construct the history of the Site and the surrounding area, GEOTEK reviewed reasonably ascertainable public documents, including aerial photographs, topographic maps, building records, city directories, fire insurance maps, and county assessor history records.

7.1 HISTORICAL SITE USAGE

7.1.1 Aerial Photograph Review

GEOTEK reviewed aerial photographs dated 1938, 1946, 1952, 1968, 1977, 1989, 1994, 2002, 2005 and 2009.

The 1938 through 1989 aerial photographs shows the Site to be primarily vacant land with dirt roads and trails located in the general vicinity.

The 1994 aerial photograph first shows the current perimeter roadway (Auto Center Drive) alignment (unpaved), along with some apparent interior vegetation clearing. The 2002 aerial photograph shows the existing Site perimeter roadways are paved, and some interior structures are present (possible trailers in area of current Site buildings). The remaining Site areas appear vacant and unimproved upon. The 2005 and 2009 aerial photographs show the Site with its present-day buildings and improvements. The 2009 aerial photograph is included as the base for Figure 2 in Appendix A.

7.1.2 Topographic Map Review

GEOTEK reviewed the USGS El Toro Quadrangle maps (7.5-minute series) dated 1997, 1968, 1978, 1981, 1982, and 1997, and the Santiago Peak (15-minute series) Quadrangle map dated 1942. The 30-series Corona Quadrangle Map dated 1902 and the 1901 60-series Southern California Quadrangle Map were also reviewed.

The Site appears to be undeveloped on all of the topographic maps reviewed.

7.1.3 Building Department Records

GEOTEK requested available files for the Site from the City of Lake Forest Building Department (LFBD) to gain information regarding historical property usage.

The earliest records found for the Site all appear associated with the currently existing Site structures and facility (automobile dealership and related facilities). "Joes Garage" is listed as the property owner on some of the permits applications. A copy of one permit application (for the AST) is included in Appendix B.

7.1.4 City Directory Review

GEOTEK reviewed city directories for the Site as provided by Environmental Data Resources, Inc. (see Appendix B). According to the directory provided, the only listed user at the subject Site is Foothill Ranch Chevrolet (2007).

7.1.5 Title Information

GEOTEK was not provided with a preliminary title report for the Site. The current owner of record for the Site is MacPherson Properties, a California Limited Partnership.

No record of environmental liens or use restrictions are known to exist for the Site.

7.1.6 Sanborn Map Review

Sanborn Fire Insurance Maps for the parcel were requested from EDR-Sanborn, which owns and maintains the largest and most complete collection of the maps. No coverage for the Site was available. The Sanborn Map Report is included in Appendix B.

7.1.7 Chain of Title

GEOTEK has not received, nor was authorized to obtain Chain-of-Title documents as part of this assessment.

7.2 HISTORICAL IMMEDIATELY SURROUNDING PROPERTY USAGE

7.2.1 Aerial Photograph Review

GEOTEK reviewed aerial photographs dated 1938, 1946, 1952, 1968, 1977, 1989, 1994, 2002, 2005, and 2009.

The 1938 through 1989 aerial photographs generally show vacant land, several dirt roads and agricultural development to the south of the subject Site. The agricultural development appears to consist of citrus groves, based on the alignment of trees.

The 1994 aerial photograph shows the primary area roadways have been or are in the process of construction, with scattered commercial and residential properties apparent. The 2002 aerial photograph shows the automobile dealership located to the northeast of the subject Site in the later stages of development, with the remaining immediately adjacent properties still largely vacant. The 2005 aerial photograph shows the automobile dealerships located to the north, northeast and east of the subject Site all present in the current configurations. The commercial development to the south of Towne Centre Drive, to the southwest of the Subject Site, is also present. The 2009 aerial photograph shows the commercial property to the west of the subject Site in its current configuration. The 2008 photograph is included as the base for Figure 2 in Appendix A.

7.2.2 Topographic Map Review

GEOTEK reviewed the USGS El Toro Quadrangle maps (7.5-minute series) dated 1997, 1968, 1978, 1981, 1982, and 1997, and the Santiago Peak (15-minute series) Quadrangle map dated 1942. The 30-series Corona Quadrangle Map dated 1902 and the 1901 60-series Southern California Quadrangle Map were also reviewed.

The surrounding adjacent properties appeared to be located within undeveloped or agricultural (property to the south) areas on the topographic maps.

7.2.3 City Directories

GEOTEK reviewed city directories for the Site provided by Environmental Data Resources (see Appendix B). According to the list provided, adjoining properties include a Boutique, office building, and 2 auto dealerships. The complete listing is included in Appendix B.

7.2.4 Sanborn Map Review

Sanborn Fire Insurance Maps for the parcel were requested from EDR-Sanborn, which owns and maintains the largest and most complete collection of the maps. According to EDR, no coverage was available for the property; therefore it is not likely that coverage would be available for the adjoining properties.

7.3 HISTORICAL USE SUMMARY

Based on readily available historic information, the Site appears to have been undeveloped land (with dirt roads) from at least 1938 until 1994 when there is first noted some onsite activity, and 2002 when the first apparent structures (trailers) are noted on the Site. The currently existing Site structures and improvements are first noted in the 2005 aerial photograph. No historic recognized environmental conditions were identified from the historic information reviewed.

No historic information was reasonably ascertainable prior to 1938, other than the topographic Quadrangle maps from 1901 and 1902. This represents data failure according to ASTM E 1527-05. Data gaps from 1946-1952, 1952-1968, 1968-1977, and 1982-1989 are due to the limited records which are reasonably ascertainable in the local area. However, it is our opinion that additional historic information, if it were to become available, is not likely to change the conclusions or recommendations of this assessment.

8.0 SIGNIFICANT DATA GAPS

No significant data gaps were discovered while performing this Phase I Environmental Site Assessment.

Minor data gaps include:

- ◆ Gaps in the historic records from 1946-1952, 1952-1968, 1968-1977, and 1982-1989.

It is our opinion that additional information, if it were to become available, is not likely to change the conclusions or recommendations of this assessment.

9.0 CONCLUSIONS AND RECOMMENDATIONS

GEOTEK has performed a Phase I Environmental Site Assessment (ESA) for the subject Site in substantial conformance with the scope and limitations of ASTM E 1527-05 and GEOTEK Proposal No. P3-0302311-CR3, dated March 22, 2011. Any exceptions to, or deletions from, this practice are described in the appropriate section(s) of this report.

This Phase I Environmental Site Assessment has not revealed evidence of a recognized environmental condition at the subject Site. No further environmental investigation is recommended at this time.


10.0 CERTIFICATIONS

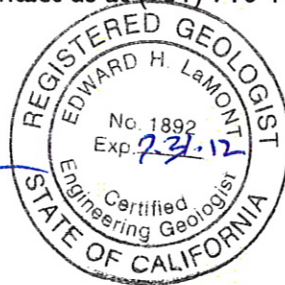
I declare that, to the best of my professional knowledge and belief, I meet the definition of Environmental Professional as defined in 40 CFR 312. I have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject Site. I have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR 312.

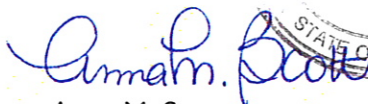
The qualifications of the Project Team are included in Appendix F.

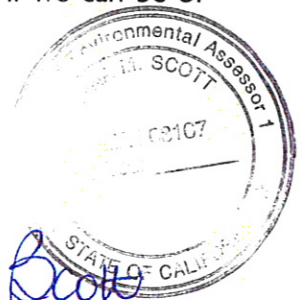
We appreciate this opportunity to be of service. If you have any questions, or if we can be of further service, please contact us at (951) 710-1160.

Sincerely,
GEOTEK, INC.


Edward H. LaMont, REA
Environmental Services Project Manager




Anna M. Scott
REA 08167, Exp. 06/30/11
Project Geologist



R:\Projects\0701 to 0750\0750CR3 Trumark Homes Foothill Ranch\0750CR3 Trumark Companies, Foothill Ranch.DOC

Visit us at www.geotekusa.com



11.0 REFERENCES

TRUMARK COMPANIES

- ◆ User Questionnaire prepared by Mr. Stephan G. Lang

CALIFORNIA, STATE OF

- ◆ Environmental Protection Agency
Records inquiry
- ◆ Water Resources, Division of
Inquiry

ENVIRONMENTAL DATA RESOURCES, INC.

- ◆ Aerial Photo Decade Package, Inquiry No. 3022401.5, dated March 29, 2011
- ◆ Radius Map, Inquiry No. 3022401.2s, March 24, 2011.
- ◆ Sanborn Map Report, Inquiry No. 3022401.3, March 24, 2011.
- ◆ City Directory Abstract, Inquiry No. 3022401.6, dated March 28, 2011.
- ◆ Historical Topographic Map Report, Inquiry No. 3022401.4, dated March 24, 2011.

CITY OF LAKE FOREST

- ◆ Orange County Fire Authority, Building Department
Records inquiries

PACIFIC SOILS ENGINEERING, INC.

- ◆ Pacific Soils Engineering, Inc., 2002, "Precise Grading Report, MacPherson Chevrolet, 70 Auto Centre Drive, Foothill Ranch, City of Lake Forest, California," Work Order 500312-M, dated February 12.
- ◆ Pacific Soils Engineering, Inc., 2003, "Final Onsite Report, MacPherson Chevrolet, 70 Auto Centre Drive, Foothill Ranch, City of Lake Forest, California," Work Order 500312-M, dated February 26.

U.S. GOVERNMENT

- ◆ Drug Enforcement Agency
Records inquiry, <http://www.dea.gov/seizures>
- ◆ Federal Emergency Management Agency (FEMA)
Flood Insurance Rate Map, Community-Panel Numbers 06059C.

◆ Geological Survey

El Toro Quadrangle, 7.5-Minute Series Topographic Maps, 1968, 1978, 1981, 1982 and 1997

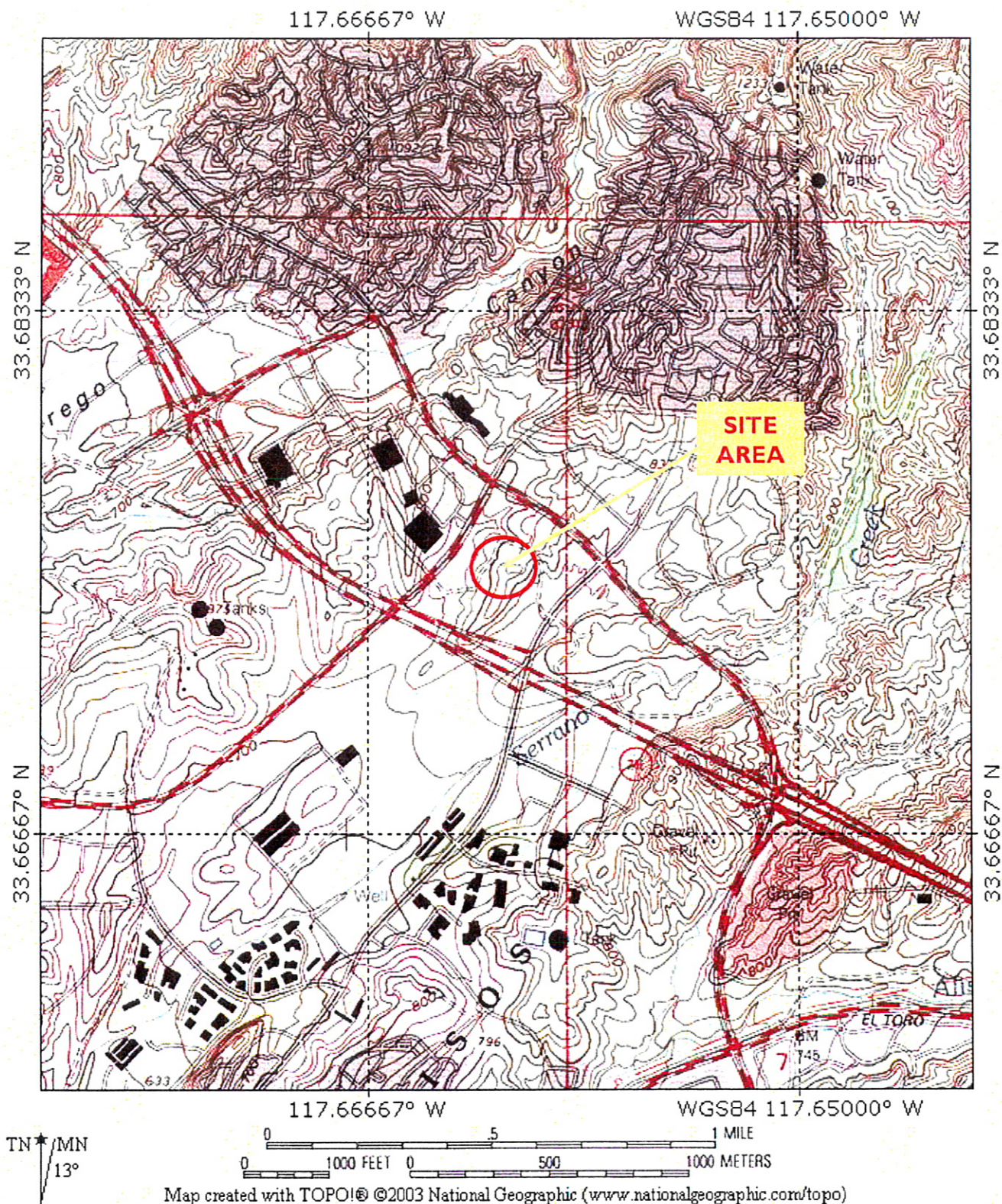
Santiago Peak Quadrangle, 15-Minute Series Topographic Map, 1942

Corona Quadrangle, 30-Minute Series Topographic Map, 1902

Southern California, 60-Minute Series Topographic Map, 1901

APPENDIX A

FIGURES



Trumark Homes
The Village
City of Lake Forest
Orange County, California

GeoTek Project No.: 0750-CR3

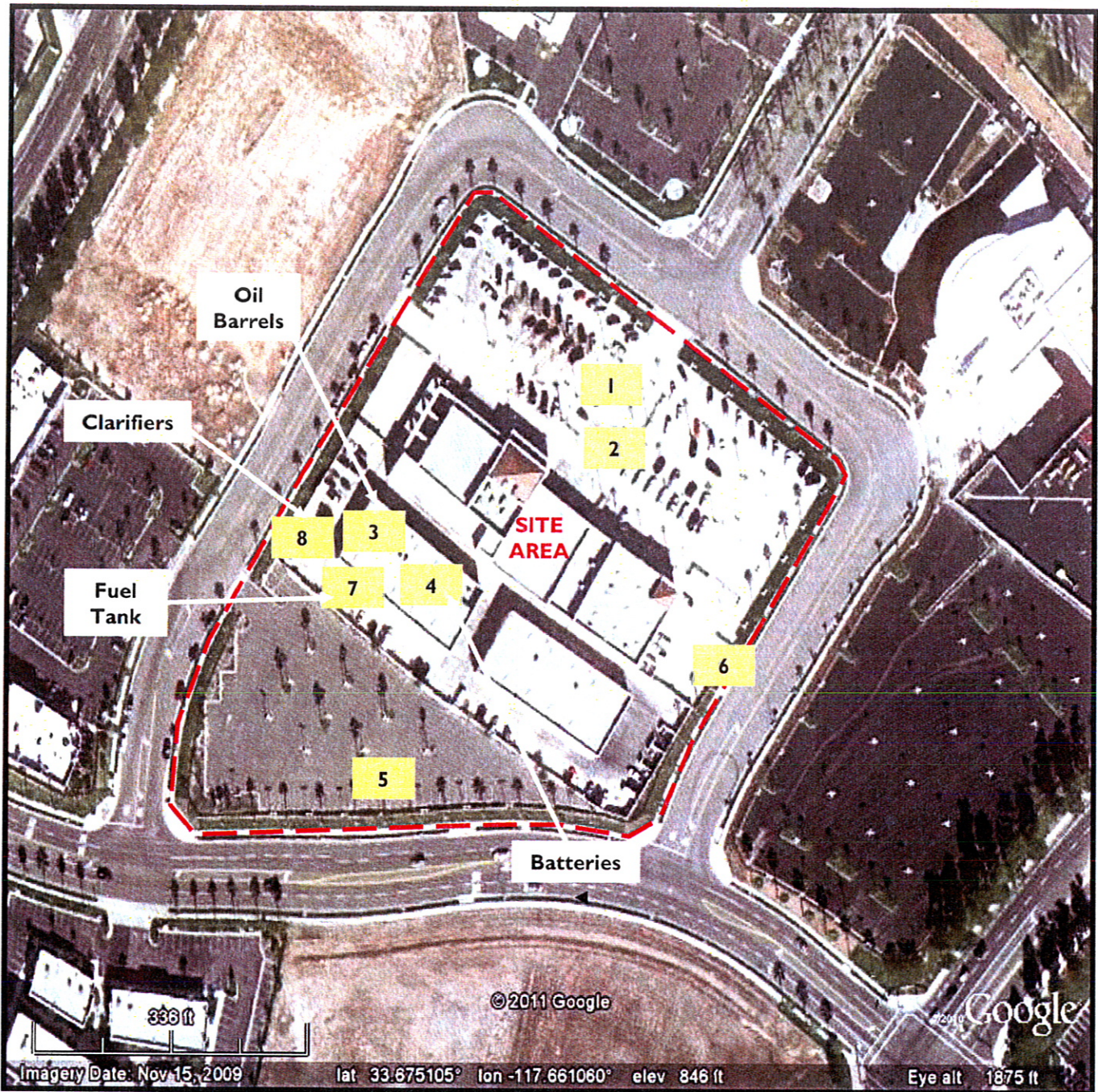


Modified from USGS
7.5 Topographic Map

Figure 1

**Site Location
Map**





LEGEND	
8	Approximate Location From Which Photo Was Taken

Trumark Homes
The Village
City of Lake Forest
Orange County, California

GeoTek Project No.: 0750-CR3



Figure 2
General Site
Layout
Map

